

HOUSE BILL No. 1128

DIGEST OF INTRODUCED BILL

Citations Affected: IC 21-2-19.

Synopsis: Removes restrictions on use of school funds. Allows money to be transferred among the funds maintained by a public school.

Effective: July 1, 2005.

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January 6, 2005, read first time and referred to Committee on Education.

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First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1128

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 21-2-19 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]:
4 **Chapter 19. Transfer of Money Between Funds**
5 **Sec. 1. As used in this chapter, "fiscal body" has the meaning set**
6 **forth in IC 36-1-2-6.**
7 **Sec. 2. As used in this chapter, "school corporation" means the**
8 **following:**
9 (1) A school corporation (as defined in IC 36-1-2-17).
10 (2) A charter school (as defined in IC 20-5.5-1-4).
11 **Sec. 3. Subject to section 6 of this chapter, the fiscal body of a**
12 **school corporation may by resolution transfer money among the**
13 **funds maintained by the school corporation.**
14 **Sec. 4. After a transfer is made under this chapter, the money**
15 **transferred from the fund is not available to the fund from which**
16 **it was transferred.**
17 **Sec. 5. A school corporation may use money transferred under**



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1 this chapter for any purpose of the fund to which the money is
2 transferred.

3 Sec. 6. A transfer under this chapter may not:

4 (1) adversely affect the repayment of any outstanding
5 obligation;

6 (2) breach any agreement with the holders of any outstanding
7 obligation concerning the use of money in a fund or the
8 amount of reserves that must be maintained by the school
9 corporation;

10 (3) use money received from a private donor or the federal
11 government that was received on condition that it be used for
12 a specific purpose or for any purpose other than the purpose
13 for which it was received;

14 (4) result in the failure to provide specific services that the
15 school corporation agreed to provide as a condition of
16 receiving money from any source; or

17 (5) result in an increase in any tax imposed by the school
18 corporation to meet the obligations payable from the fund
19 from which money is transferred.

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